2008-00724/

Canadian Radio-television and Telecommunications Commission / Conseil de la radiodiffusion et des télécommunications canadiennes

Canada

News Release

May 1, 1995

CRTC GRANTS MT&T INTERIM RATE INCREASES

OTTAWA/HULL -- The CRTC today granted, on an interim basis, part of the rate increases requested by Maritime Tel & Tel Limited (MT&T) for its residence and business services in Nova Scotia (Telecom Decision CRTC 95-7). Today's decision follows a public process including a call for comments, last February, on the telephone company's interim application.

Based on the evidence filed during the public process, the Commission has determined that there exist special circumstances to warrant interim rate increases in MT&T's case. First, any proceeding to consider final 1995 rates will be delayed until the outcome of the CRTC's split rate base proceeding now in progress. Further, without any rate relief, MT&T's rate of return on average common equity (ROE) for its local and access services will be inadequate in 1995.

The CRTC determined that an interim rate increase of $11.2 million for 1995 is appropriate at this time. This should result in a ROE for local and access services of 8%, or 225 basis points less than the bottom of the ROE range established by the CRTC for the company. The Commission has thus approved, on an interim basis, the following rate increases, effective May 1, 1995:

- $2.10 per month for residence one-party and two-party service ¾ instead of the $2.95-increase requested by the company;
- $6 per month for business single-line service ¾ compared to the $5.60-$9.30 increases proposed;
- $9.70 per month for business multi-line service ¾ compared to the $10.40-$14.25 increases requested.

MT&T's interim rate increases will be subject to final review following the determinations in the split rate base proceeding later this year.

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Contact: CRTC Public Affairs, Ottawa, Ontario, K1A 0N2
Tel: 819-997-0313, TDD: 819-994-0423, Fax: 819-994-0218
Internet address: http://www.crtc.gc.ca

Copies of today's decision are available through the public examination room at any of the following CRTC offices:

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